

Memorandum

To: Members of the Cape Elizabeth School Board

CC: Meredith Nadeau, Superintendent of Schools

From: R. Scott Wyman, Business Manager

Date: 8/21/14

Re: Lease/purchase Agreements

There are three major financing (lease/purchase) projects that need to be funded this fiscal year that were previously presented and approved during the 2014-2015 Budget preparation and approval process:

1. Technology purchases and improvements: \$144,555.00
2. Two new school bus purchases \$182,634.00
3. Boiler installation at Pond Cove/Middle School \$580,000.00

All three projects were presented to four (4) Financial Institutions for competitive bids for each project separately or collectively all projects. All four Institutions have municipal and school lending experience and the ability to provide lease/purchase services to the Cape Elizabeth School Department. Both the Technology and Bus lease purchasing projects were presented for three year terms, while the Boiler project was based on a 10 year lease purchase plan.

The responding Financial Institutions presented the same contract terms with interest rates varying from 1.72 % to 2.58 % for three year periods for both the technology and bus requests.

The responding Financial Institutions presented the same contract terms for the 10 year boiler project with rates from 2.8% to 4.36%.

The responding Financial Institutions were: Androscoggin Bank, Norway Savings Bank, Gorham Leasing Group and TD Bank.

I am forwarding my recommendation to you to grant all three lease purchase agreements to TD Bank with the rates of 1.72% and terms for 3 years and the ten year lease purchase for 2.8%.